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NSC FOR ABRAMS/DORAN/MARCHESE/HARDING

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TAGS: KCRM LE PREL PTER SY GE

SUBJECT: LEBANON: SINIORA ADDRESSES BILATERAL, DOMESTIC
ISSUES

Classified By: Ambassador Jeffrey D. Feltman for reasons 1.4 (b) and (d).
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SUMMARY

¶1. (S) Ambassador Feltman, S/CRS representative, and poloff met on 9/20 with Prime Minister Siniora (accompanied by aides Mohamed Chatah and Rola Noureddine) on a wide variety of issues. Siniora welcomed the White House private sector initiative and was pleased by the U.S. delivery of assistance and plans for security sector support. He expressed deep unhappiness by Qatar's refusal to put its reconstruction aide through the GOL, despite his personal interventions with Qatari officials, and he noted that Algeria is also a problem. On the Hariri tribunal, Siniora said he would not table the draft statute before the Lebanese cabinet and parliament until he knew the UNSC was comfortable with its provisions. He vowed that the land problem for UNIFIL billeting (that is slowing UNIFIL deployment) would be solved. He also said that the Beirut I conference would be held on/about November 30. End Summary.

WELCOMING THE WHITE HOUSE
PRIVATE SECTOR DELEGATION

¶2. (C) Briefed by the Ambassador about the delegation headed by A/S Powell on 9/22, Prime Minister Siniora expressed enthusiasm about the White Hosue private sector initiative. He noted his close relationship with Occidental CEO Irani and said that he looked forward to meeting with the group on Saturday.

PLEASED WITH THE UN,s VIEW
OF 'LEBANESE EFFICIENCY'

¶3. (C) Unsolicited, Siniora boasted that he had just seen UN reconstruction coordinator David Shearer and expected Shearer would soon issue a glowing press statement praising Lebanese efficiency as among the best Shearer had seen in his extensive career responding to disasters around the world. In particular, Siniora cited Lebanese progress restoring roads and the water supply as areas Shear praised highly. (Note: We met separately with Shearer earlier in the day. Shearer did indeed offer this praise of Lebanon's quick transition from emergency/humanitarian to early recovery phases. But, while admiring of how quickly the GOL had restored key infrastructure links, he was critical about GOL coordination efforts and lack of any kind of media strategy.

End note.)

REVIEWING AN OPIC AGREEMENT

¶4. (SBU) The Ambassador noted that the Overseas Private Investment Corporation (OPIC) was interested in increasing its exposure in Lebanon. Beyond its well-known insurance programs, OPIC had many new products that could help Lebanon in mortgage and equity financing in the months to come. But, the Ambassador noted, OPIC's agreement with Lebanon was signed in 1981 and is now outdated. We would like to amend this agreement as quickly as possible, to bring it up to date. The Ambassador passed for the Prime Minister's review the current OPIC agreement as well as suggestions for amending the text. Siniora responded that he did not believe he would need formal GOL permission to update the agreement, but he needed to check whether the original agreement went through parliament and cabinet approval.

FINDING LAND FOR UNIFIL

¶5. (C) The Ambassador noted that UNIFIL Commander Alain Pellegrini had organized a P-5 briefing for the following day. The Ambassador said that he hoped the problems UNIFIL was having in securing adequate troops for its new deployments would be on the way to being solved by the time Pellegrini briefed the Ambassadors. Siniora expressed confidence that the GOL has adequate legislation in place allowing GOL temporary appropriation of private land under eminent domain during times of extraordinary circumstances. Siniora's staff members were already been in communication

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with UNIFIL regarding a list of properties it needs. They were confident the GOL could obtain the use of more land upon UNIFIL request and would have the money to pay the landowners. (Note: This issue in part relates to past debts the GOL owes to landowners for current UNIFIL bases. The GOL is in arrears to the landowners, who naturally do not wish to give up more land to UNIFIL. Ministry of Finance officials told us separately that they expect that this week's cabinet session will authorize full payment of the arrears and a hefty advance payment for the new land. End note.)

WELCOMING A GERMAN MARITIME FORCE

¶6. (C) Asking by the Ambassador about the German and UNIFIL teams working on the airport, seaports, and land borders, Siniora stated that he has a meeting scheduled for Monday with UNIFIL officials, Minister of Defense Murr, Minister of Interior Fatfat, ISF Commander Rifi, and LAF Commander Sleiman. He would know then what was being discussed for the border points.

¶7. (C) As for the naval task force, General Shahaytli (who serves as the coordinator between the LAF command and UNIFIL) had just retuned from UN headquarters, where he completed negotiations with the Germans and others on the naval task force rules of engagement and terms of reference. Siniora claimed that he had just learned that the German parliament had approved German participation in and leadership of the naval task force. In passing, Siniora noted that he would visit Berlin and Strasbourg September 27-28.

TRIBUNAL TIMING: AFTER UNSC APPROVAL

¶8. (C) The Ambassador queried Siniora on his views for taking to the cabinet and parliament the UN-GOL draft statute on the special tribunal with international character for the Hariri assassination. Siniora noted that, while the cabinet is ready "any day," parliament does not come back into session

until October 7 or 10. Moreover, he expressed reluctance to table the draft statute before he had word from the UN that UNSC members were comfortable with the draft. He would not want to fight for cabinet approval of something, only to have to revisit the issue if the UNSC inserts changes.

¶9. (C) As for the draft statute itself, he cited four remaining points of concern (while insisting that no significant resistance remained in the cabinet or the parliament). First, the statute suggests that the tribunal could cover the crimes that took place from 10/1/04 to 12/31/05 (if they are materially connected to the Hariri assassination). The PM prefers that, rather than a period of time, the crimes be named specifically that could be included, if materially linked. This, he said, would help reduce the fear by some that the tribunal will potentially find all sorts of new targets. (Comment: We wonder if he was making an oblique reference to Bank al-Medina, which potentially could entrap a huge number of Lebanese political figures, including at least one on his cabinet. End comment.)

¶10. (C) Second, Siniora said that the tribunal must be located outside Lebanon, and that Cyprus was preferable to The Hague due to distance and cost advantages. On the other hand, he joked, the further the tribunal was from Lebanon, the more removed it would be from vicious Lebanese politics. "Northern Alaska" might be fine, he laughed. As the location is not part of the statute itself, the Ambassador asked whether identifying the location was linked to cabinet and parliamentary approval. No, Siniora said; Parliament Speaker Berri's one-time insistence on a Lebanon-based tribunal no longer seemed to be a red line, he thought.

¶11. (C) Third, Siniora said that financing for the tribunal had to be worked out, with the GOL playing a key role. Finally, the composition of the tribunal needed to be worked out. Siniora expressed satisfaction that the current draft had a mixture of international and Lebanese figures.

RECONSTRUCTION ASSISTANCE:
QATAR, ALGERIA POSE PROBLEMS

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¶12. (S) Responding to the Ambassador's concern that some countries seemed to be bypassing the GOL and passing reconstruction assistance directly to Hizballah, Siniora fingered Qatar as a particularly egregious example. Calling Qatar the "prodigal son," he went into detail about the conversations he has been forced to have with various Qatari officials to try to get Qatar to work through GOL institutions. Qatar keeps resisting, using various excuses to avoid working through the GOL. Qatar has been fully briefed on the system Lebanon has set up for Arab donations (Central Bank accounts over which the donor country has signatory authority) but refuses to participate. After complaining at length about Qatar, Siniora contrasted Qatari intransigence with the UAE's method of providing cash directly to Lebanese (in these case fishermen) in cooperation with Lebanon's Higher Relief Committee. Even Iran, Siniora noted, is financing a few projects through the GOL. He shook his head repeatedly about Qatar.

¶13. (S) Algeria, Siniora continued, is also a problem. The PM reported that he met with an Algerian parliamentarian two days ago to discuss the Algerian allegation on Hizballah-owned Al Manar that GOL corruption in aid distribution had allowed a shipment of water to be sold on the market rather than getting to intended aid recipients. Siniora said he showed the parliamentarian receipts and forced him to retract his statement. He noted that Algeria is the one country -- aside from Syria -- that Siniora feels unwelcome in. He tried to hint at visiting Algiers and the Algerians closed the door in his face. While Qatar's

problem-making has everything to do with Qatar's rivalry with Saudi Arabia, Algeria just sided with Syria, inexplicably.

¶14. (S) More broadly, Siniora was clear that while the GOL was 'more permissive' during the war, letting aid in from all sources, it has now returned to a 'stricter application of the rules.'

RECONSTRUCTION ASSISTANCE:
PLEASED WITH U.S. RESPONSIVENESS

¶15. (C) Siniora and his advisors were pleased by the briefing by the Ambassador and S/CRS representative on United States assistance delivered to Lebanon since the crisis and USG plans for help in the security sector. They also accepted an informal non-paper on ideas of how to improve GOL media outreach and donor coordination (ideas which we will pursue with them later).

RECONSTRUCTION ASSISTANCE: BRIDGES,
ROADS, VILLAGES "MOSTLY SUBSCRIBED"

¶16. (C) Siniora said that he considered his campaign to get donors to "adopt" various projects to be a successs. Nearly all of the damaged bridges have already been claimed for reconstruction by foreign donors. While only 40 percent of village projects have been covered, those already "adopted" cover 70 percent of the reconstruction needs. Regarding the Mudarej Bridge which the USG has offered to rebuild (in cooperation with Italy, if Italy so desires), Siniora noted that the Embassy can expect a letter from the prime minister,s office authorizing our engineers to begin work, whatever our level of cooperation with the Italians.

BEIRUT I DONOR CONFERENCE TENTATIVELY
SCHEDULED FOR NOVEMBER 30

¶17. (C) The Ambassador noted that, on the margins of the IMF/IBRD meetings in Singapore, Minister of Finance Azour talked of holding the long-delayed Beirut I conference in late November/early December. Siniora reacted that it would take place in mid to late November. When the Ambassador reminded the PM of the U.S. Thanksgiving holiday on November 23, Siniora and his staff, after a brief discussion, talked of November 30 as the date. (Comment: We would not book plane reservations yet for this date. End comment.)

SPECULATION ABOUT HIZBALLAH'S
PLANNED RALLY ON FRIDAY

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¶18. (C) In response to speculation that Hassan Nasrallah could announce his support for General Aoun for the presidency at the planned Hizballah 'victory rally' on Friday, Siniora thought Nasrallah would leave his doors open to other communities by not announcing his support for Aoun. He also queried whether the Ambassador had heard rumors that Hizballah had asked Qatar to ask Israel to make assurances that it would not attack the rally. Siniora said he was not invited to the rally. While the PM expected a show of intimidation by the size of the crowd Hizballah would muster, he did not expect violence.

SYRIAN/SECURITY CONCERNS

¶19. (S) Siniora had heard Walid Junblatt's description last night on an LBCI television interview of an alleged Syrian threat to attack March 14 or UN forces in Lebanon in September, but had no further information. He queried the Ambassador regarding current thinking about who was behind last week,s attack on the U.S. Embassy in Damascus, and

suggested the fourth attacker who had been cooperating with investigators and subsequently died 'was suicided.' He followed with a request for an update on any other news on Syria and Syrian-sympathizers in country.

FELTMAN